



## District of Columbia Housing Authority

1133 North Capitol Street, NE Washington, DC 20002-7599

202-535-1000

Adrienne Todman, Executive Director

### ADDENDUM

#### ADDENDUM NO. 2

ISSUED: October 26, 2015

**SOLICITATION NO.:** 0039-2015  
**On-Site Solar Power Purchasing Agreement @ Various Facilities**

All respondents shall acknowledge receipt of this addendum in their proposal. **Failure to acknowledge receipt of this addendum may be cause for rejection of your proposal.** Respondents are informed that the above named solicitation is modified as follows:

#### **QUESTIONS & RESPONSES**

Q.1. Given that the Solicitation (Section A.7) states that the authority maintains its right to adjust the project schedule at its sole discretion, and given that project PPA pricing is in part dependent on the project's ability to capture SRECs, is it possible for respondent and DCHA to agree and set a time for award AND completion of the project on which the PPA price will depend (assuming no delay caused by respondent)? Such a bid would stay open for 120 days as required by the Solicitation. To ensure the project is adequately financed, respondent could also negotiate alternative pricing levels with DCHA should project completion be delayed and some months' worth of SREC revenue be lost.

*R.1. As per section B.3.5 Time is of the Essence - the Authority anticipates that all projects will begin commercial operations no later than December 31, 2016. Respondents should anticipate at least a 2-month PEPCO interconnection review period in the construction. The Authority anticipates an award in 2015 to maintain its schedule however, reserves the 120 days to negotiate terms with the selected Oferror(s).*

Q.2. The Solicitation states: "The PPA will provide for liquidated damages in the event that the project does not begin commercial operations in accordance with the agreed upon schedule. Such liquidated damages must be guaranteed by a parent guarantee, letter of credit or other security acceptable to the Authority." Sol Systems' standard PPA does not include a liquidated damages clause, but rather provides for direct damages should energy (kWh) not be delivered from the system after the agreed upon commercial operation date. Would it be possible to use Sol Systems' existing PPA structure as a

mechanism to ensure fair direct damages for any non-provision of energy? Given Sol Systems' healthy financial condition, would it be possible to waive the requirement that of guarantee by a parent, letter of credit, or other security?

*R.2. Section B.3.3 PPA Terms and Conditions states the requirement for liquidated damages however, the RFP does not point to specific language. It is the responsibility of the Respondent to clarify how the terms and conditions of the proposed PPA address the minimum requirements of section B.3.3. The Financing Plan evaluation criteria will review and assess the risk associated with the terms within the proposed PPA and the financial capacity of the provider. The Authority cannot waive the requirement for a guarantee; however, the Respondent can address the requirement in its proposed form of PPA. The Authority reserves the right to not accept any particular form of PPA. All exceptions to terms and conditions should be listed under Exhibit 4.*

Q.3. The Solicitation states: "The Authority will not indemnify any party as part of the PPA or otherwise." Sol Systems' standard PPA includes indemnification clauses for hazardous waste and mutual general indemnity to the extent allowed by law. We believe these clauses are fair and commercially reasonable to try to reduce risk in good faith to all parties in the transaction. Could DCHA explain the rationale behind not allowing any indemnification, and is it possible to waive the Solicitation's categorical requirement against all indemnification.

*R.3. The intent of this minimum requirement in Section B.3.3 PPA Terms and Condition is to provide a basis for the terms and conditions of the proposed PPA. It is the responsibility of the Respondent to clarify how the terms and conditions of the proposed PPA address the minimum requirements of section B.3.3. A review of any mutual general indemnity clauses would not in itself make the proposal non-responsive. All exceptions to terms and conditions should be listed under Exhibit 4.*

Q.4. The Solicitation asks respondents to ensure they have a pollution insurance policy with minimum of \$10 MM per occurrence and \$20 MM total. Could DCHA explain the rationale behind requiring pollution insurance at housing authority sites, and is it possible to waive the Solicitation's requirement to have this insurance?

*R.4. The Authority will consider the General Liability Insurance requirement as adequate to cover this insurance requirement. The pollution insurance policy specific requirement is waived. All exceptions to terms and conditions should be listed under Exhibit 4.*

Q.5. Crime and Dishonesty insurance. What is the rationale behind crime and employee dishonesty insurance, and can this requirement be waived for companies that traditionally do not deal in these kinds of insurances in the normal course of their business? Relatedly, the solicitation states: "In addition to the foregoing, the required insurance shall cover, in full, the Respondent's indemnity obligations set forth in Section D.3 hereof." Does this mean that the crime and dishonesty insurance required must be comprehensive to cover the items in D.3? On this point also, it appears that on page

18 the amount of required insurance is \$250,000, while the earlier mentioned amount on page 16 is higher. Which one of these is the required amount if this insurance is required?

*R.5. The Authority will consider the General Liability Insurance as adequate to cover this insurance requirement. The crime and dishonesty insurance policy specific requirement is waived. All exceptions to terms and conditions should be listed under Exhibit 4.*

Q.6. Bonding. We would like to clarify the actual amount of total bonding and per project bonding required. There appears to be a difference between Page 9 of the Solicitation: "Offerors must also establish that they have sufficient bonding from a surety licensed in the District of Columbia to undertake the construction at the various sites in the applicable Bundle(s). In this regard, Offerors must specify the total bonding that the surety will issue for all of the Offeror's work including uncompleted contracts." On page 16 Respondent shall obtain a separate performance bond and unconditional labor and material payment bond (hereinafter collectively referred to as "Bonds"), each Bond to be in the amount of 100% of the Contract Price, including any increases thereto." Are these two bonding requirements overlapping or in addition to each other? Would the bonding here be extended to uncompleted contracts? Is there an expectation that individual facilities be bonded separately or total agreement as a whole?

*R.6. The intent here is to bond any construction work on the total contract and the uncompleted contracts are meant to be for DCHA based contracts. The Authority waives the requirement to provide surety bonds on uncompleted contracts not affiliated with the Authority. The bonding requirements are NOT overlapping and are necessary only to 100% of the Contract Price in total and not by site or project.*

Q.7. Given potential variability in projected system size (due to fire lanes, structure, building usage, shading, etc.) and consideration of RFP responsiveness, does DCHA prefer sizing based on estimates in the RFP or based on our own independent system design criteria? Will it be permissible to offer a PPA price given a certain aggregate size of the project with a condition precedent that the price will be changed should the actual amount of solar available to be installed fall below a certain point?

R.7. System size estimates in the RFP are provided for guidance only. Offerors should estimate their PV system sizes based on independent system design criteria. The goal is to maximize system size within site constraints. The intent is for the Offeror to provide a firm PPA price. In the case that the price will fluctuate based on aggregate project size, the Offeror must quantitatively state the change in price as aggregate system size changes.

Q.8. In Part III C, the question is asked, "What solutions has your company employed for roofs that are either too old, or do not have sufficient structural strength, to support PV systems?" While such a question is reasonable, it would help to have a sense of the intent of DCHA to address plans for roof repairs and/or replacement before, during, or after the implementation of this initiative.

- R.8.** *Although the Authority has set aside, contingency funding for potential roof repair, replacement, or enhancement the Authority does not anticipate requiring to do so. The Authority will work with the selected Offerror(s) design team and structural engineering advisors to develop a reasonable solution as part of project design integration.*
- Q.9. Given potential roofing, structural, and electrical upgrades, is DCHA open to having project proposals that reflect these needed upgrades?
- R.9.** *Although the Authority has set aside, contingency funding for potential roof repair, replacement, or enhancement the Authority does not anticipate requiring to do so. The Authority will work with the selected Offerror(s) design team and structural engineering advisors to develop a reasonable solution as part of project design integration. The Authority will not accept unsolicited proposals for potential roofing, structural, and electrical upgrades as part of this RFP. If a potential roofing, structural, and electrical upgrade is suggested to achieve a specific level of performance in the PPA as proposed, it should be listed under the Comments section of Exhibit 1.*
- Q.10. Is there a minimum system size for an individual project (particularly for single/double family residences)?
- R.10.** There are no specific minimum system size criteria. However, Offerors should carefully consider the effect of system size on PPA price. Project cost is the primary evaluation criteria.
- Q.11. Relatedly, when the systems are completed, what kind of variability is acceptable between stated production and actual production?
- R.11.** *Exhibit 1 Column H Guaranteed Minimum Annual Production in Kwh/year should provide the guaranteed minimum. It is assumed the variability risk will be borne by the Offeror.*
- Q.12. Respondent assumes that as soon as any individual project reaches an on-schedule commercial operation and is interconnected, PPA payments for energy will start. Is that a correct assumption?
- R.12.** *The expected PPA payment terms and conditions should be listed in the PPA proposal. The Authority expects to process PPA invoices in a similar fashion to normal utility payments.*
- Q.13. Regarding risk on part of interconnection, does project stop at 2016 or does full contract execute into 2017 at a second price for a 2017 completion should interconnection (outside of control of respondent) delay the project.
- R.13.** *The Authority anticipates that all the projects will begin commercial operations no later than December 31, 2016 if the cost of the unit is reliant upon investment tax credits. If the PPA price is dependent upon completion of the project and system turn on by December 31, 2016, the Offeror must state this requirement and provide a post December 31, 2016 PPA price to allow the Authority to gauge the schedule and price risk to the Authority.*
- Q.14. The solicitation states: "The Authority desires that Small, Local, and Disadvantaged Business Enterprises ("SLDBE's") participate in this project to the greatest extent possible. Offerors should

include in their proposal a proposed plan that demonstrates the level of participation by such businesses.” Respondent believes it is an LBE, SBE, DZE and ROB as certified by the DC Department of Small and Local Business Development and would to confirm that DCHA will evaluate Respondent over these metrics to evaluate inclusion in this category.

**R.14.** *The RFP does not provide additional scoring advantages to SLDBE’s however; the Authority encourages the utilization of SLDBE’s whenever possible.*

Q.15. In the systems requirements section, it is stated that “Mounting system shall be ballasted and non-penetrating to roof.” Will other non-penetrating to roof approaches, such as a parapet-to-parapet setup be considered for some of the properties? We would like to comment that we believe that some of these systems will need to be penetrating, especially in cases of pitched roofs and tall flat roofs. In cases where some penetration is needed, we comment that full penetration would not necessarily be needed and that any roof warranties would be maintained by us.

**R.15.** The goal is to use install systems on flat roofs using non-penetrating mounting systems. However, if there are cases where penetration is required for safety purposes then this is acceptable as long as roof warranties are maintained by the Offeror. Non-penetrating systems other than ballasting will be considered. However, the Offeror should consider the impact of any mounting system on the ability of DCHA to maintain the roof and all roof mounted mechanical and electrical equipment.

Q.16. Can parcels be subdivided (as in, while some parcels may not be bid, can they be cut another layer to eliminate non-solar candidates or risky installs)?

**R.16.** *It is recommended that the Respondent clearly identify which properties are to be bid and which are not on Exhibit 1. The Authority would appreciate in the Comments column any clarification of subdivision or elimination as a non-solar candidate be clearly identified with a brief explanation.*

Q.17. Are single/duplex residences required to allow solar, or does respondent need permission from homeowner?

**R.17.** *The Authority maintains the ability to grant permission to any rooftop in the subject properties.*

Q.18. Clarification on code year, assuming 2008 per District. Want to make sure this doesn’t change after bidding.

**R.18.** According to DC Department of Consumer and Regulatory Affairs, the current applicable electrical code is the 2011 National Electrical Code. The Offeror is responsible for meeting all current and future code requirements. Systems must be placed in service prior to 12/31/16 to meet federal Investment Tax Credit requirements.

Q.19. Are there any impacts on these projects from historic districts?

**R.19.** *Currently only Langston Terrace on 2101 G Street NE, Washington DC 20002 requires permits from the DC Office of Planning Historical Preservation Review Board.*

- Q.20. Does DCHA plan to require/reject any specific brands of equipment, such as modules, inverters, trackers, or other system components?
- R.20. There are no requirements for any specific equipment brands. Since the Offeror will own and maintain the systems and guarantee system output, equipment choices will be made by the Offeror. However, DCHA must be able to remotely access PV system energy production via the solar monitoring software. Revenue grade metering must be used to measure PV production.
- Q.21. Could DCHA clarify the level of access to electrical bill, sites for measurements, and electrical inspections, etc.?
- R.21. *Appendix 3 provides historical electricity consumption, no additional access to electrical billing data is being provided. With respect to site access, there is no planned site visits and the Authority encourages the use of Appendix 1 for initial measurement data. No on-roof access is being granted prior to RFP response date.*
- Q.22. Please clarify what project "bundles" is in reference to. It states, "Offeror may bundle Properties", which implies discretion in selection for the development of the offer. However, pre-defined specific bundles are mentioned elsewhere in the document, i.e. "Innovation Bundle", "Large Bundle". Additionally and more specifically, could DCHA clarify what is meant by innovation bundle? Would Green Roof Integrated PV and/or Community Solar be examples of potential Innovation Bundle projects?
- R.22. *The Authority retracts any adjective describing a bundle. The intent is to allow the Respondent to group projects in any way desired so as to provide the best value to the Authority. A Green Roof Integrated PV and Community Solar initiative are up to the Respondent to utilize as the RFP is for a solar PPA on the specific properties. The Authority will not accept unsolicited proposals for Green Roof Integrated PV and Community Solar initiatives at this time.*
- Q.23. Will the compliance plan provided for Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) have any bearing on the scoring of proposals?
- R.23. *Section 3 is a compliance requirement for acceptance of a Contract with the Authority. The Section 3 Contractor Compliance Agreement is not part of the scoring of proposals, however, a proposal stating that it will NOT comply with Section 3 requirements will be deemed non-compliant and not accepted. Please refer to D.17 Section 3 Requirements for compliance procedures and direct any specific questions or concerns to the DCHA Section 3 Compliance Coordinator on 202.535.1212.*
- Q.24. Please clarify the status of the following properties: Benning Terrace, Langston Terrace, Fort Dupont, Greenleaf Extension, Addition, Hopkins Apartment, and Sibley Family. Does DCHA intend on having solar installed, and if so, what type of system is allowable since they have a greater pitch than the others.

**R.24.** The intent is to limit systems to flat roofs. For example, there is a mix of flat and pitched roofs at Fort Dupont and only the flat roofs were to be considered for installations. All of the properties listed above should have some flat roof components, with the exception of Sibley Family, which can be eliminated from the population of properties. See also response number 15 for more information on acceptable mounting systems.

**Q.25.** The RFP notes that bidders may submit proposals for "one, two or all properties." Is this to be taken literally where those are the only options; or may we select any number (greater than two, for example) of the various properties which we determine will offer DCHA the best value?

**R.25.** *The intent is to allow the Respondent to group projects in any way or any number desired so as to provide the best value to the Authority.*

**ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.**

**END OF ADDENDUM NO. 2**



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Cheryl Moore  
Contracting Officer

**Acknowledgement of Receipt:**

**Respondent:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_